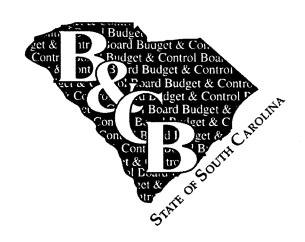
# May 20, 2003

# State Government News Summary



Prepared by the Budget and Control Board Office of the Executive Director

Posted on Tue, May. 20, 2003

# S.C. employment up, but 'sluggish'

By JIM DuPLESSIS Staff Writer

Employment in South Carolina rose slightly from March to April, but the state had still had fewer jobs than any April since 1998.

The Columbia metro area lost about 100 jobs, employing 301,900 in April.

The state had just under 1.8 million workers in April, 8,300 more jobs than in March. But employers usually create more than 12,000 jobs in April, an S.C. Employment Security official said Monday.

"It's just a sluggish picture," said Sam McClary, an assistant director for statistics at the commission.

Retailers usually add about 1,200 jobs in April, but this year they added none. "That's highly unusual for this time of year," he said.

Restaurants, hotels and recreation businesses added 6,500 jobs in April. The average April increase has been 7,200 during the past decade.

"The tourism season is very slow in getting cranked up this year," he said. "My best guess is we're not going to pick up as much (employment) as we usually get in the peak tourist season."

The metro area encompassing Richland and Lexington counties lost 1,000 jobs among retail, wholesale and warehouse businesses. But other sectors narrowed the loss to less than 1 percent.

Greenville and Charleston gained about 700 jobs each.

South Carolina manufacturers employed 280,600 in April, down 300 from March and 11,700 fewer than April 2002.

Compared with April 2002, the state had about 1 percent fewer workers. The last time the state's total nonfarm job dipped below 1.8 million in April was in 1998, when the state had 1.77 million workers. April employment peaked in 2000 at 1.87 million.

Reach DuPlessis at (803) 771-8305 or jduplessis@thestate.com.

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Posted on Tue, May. 20, 2003

# Morris denies role in Carolina Investors' collapse

**Associated Press** 

**GREENVILLE, S.C.** - The chairman of Carolina Investors Inc. says he is not to blame for the company's financial collapse and will get the chance to prove his case.

Earle Morris Jr., a Pickens native and former lieutenant governor and comptroller general, is a defendant in lawsuits alleging he and other company officers and directors are responsible for the firm's problems and owing investors \$275 million.

Morris told The Greenville News his role as chairman of Carolina Investors, a subsidiary of HomeGold Financial Inc., is little more than "public relations a couple of days a week."

"Being chairman is like being chairman of a charitable fund-raising effort," he said. "I never encouraged anybody to put money there. I believed that HomeGold was a good company."

Morris said, "I've taken all the blame. I never did anything in my life that was dishonest and my own reputation has suffered greatly. But my day's coming. And I won't tell what I mean by that."

Morris, who earns \$50,000 a year as chairman, said he had "absolutely nothing" to do with Carolina Investors' administrative or fiscal policies.

Carolina Investors and HomeGold have filed for Chapter 11 protection in U.S. Bankruptcy Court.

State and federal authorities are investigating Carolina Investors' closure, which has threatened the life savings of an estimated 8,000 investors, mainly in Pickens County and the Upstate.

Carolina Investors closed March 21, saying it had insufficient cash.

Documents filed with the Securities and Exchange Commission indicate Carolina Investors loaned the bulk of its deposits - as much as \$275 million - to HomeGold, a mortgage company.

HomeGold filed for bankruptcy protection March 31, later saying in court documents it had about \$12.5 million in assets and \$181.3 million in liabilities.

Carolina Investors reported assets of \$1.9 million and liabilities of \$278 million. The company's assets primarily consist of offices in Pickens and Greenville counties.

"I've been told (by my attorneys) 'don't say anything, don't say anything' but if I don't defend myself and Larry Owen (Carolina Investors' president and chief executive officer), who is?" Morris said.

He added, "We had no idea that the parent company was in the financial position it was in."

Morris said he, Owen and company directors Danny Sharpe and Don Bobo objected to Carolina Investors seeking bankruptcy protection.

"But since they (HomeGold officials) had the money, we had no choice," Morris said.

Owen said he's been told not to talk about the situation.

"Something happened," said Morris. "That's not up for me to say. That's up to the judicial process."

Information from: The Greenville News

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# Senator proposes more K-12 funding

BY KAREN ADDY, Packet Columbia Bureau Published Tuesday, May 20th, 2003

COLUMBIA -- State Sen. Scott Richardson drew high praise from Democrats on Monday night when he proposed an amendment that would fund K-12 education at about \$2,092 per student, around \$400 higher than the House-proposed budget.

"In Beaufort County we can raise property taxes," the Hilton Head Island Republican said of his home district. "But I want to know what is going to happen in Williamsburg, Jasper, Clarendon counties. It's just going to put those counties in a ditch."

The Senate narrowly voted to table the measure.

Richardson also proposed a measure to devote \$15 million to improve English for Speakers of Other Languages programs in public schools.



"Imagine how scary it would be to be five or six years old in a new country, and your mother has just left you, and the teacher is speaking, and you have no idea what she's saying," Richardson said. "This is a serious issue in Beaufort County and Horry County."

But the English for Speakers of Other Languages funding measure failed on a voice vote. Democrats spoke in favor of Richardson's per pupil education spending amendment and Republicans spoke out against it before voting to table the measure. The vote to table was 24-22.

Sen. Maggie Glover, D-Florence, was among the Democrats who spoke out to support Richardson.

"Let me congratulate you for being the first person on that side of the aisle to come out in support of this," Glover said.

Sen. Darrell Jackson, D-Hopkins, and several other Democrats asked to have their names added to Richardson's education funding amendment

In arguing against Richardson's proposal, Sen. Glenn McConnell, R-Charleston, warned senators that committing more money to education in the absence of additional revenue-raising measures would deplete the property tax relief fund.

Sen. Larry Grooms, R-Berkeley, said funding Richardson's proposal would mean other state agencies would have to be cut an additional 8 percent.

Sen. Hugh Leatherman, R-Florence, also chastised Richardson.

"To come up here and propose a \$210 million to fund the Education Finance Act is unbelievable," Leatherman said.

Last week, Richardson twice proposed a penny sales tax increase to help fund education. But his measures were discarded on procedural grounds.

Richardson said he is committed to voting for the cigarette tax and to finding additional money for education.

Posted on Tue, May. 20, 2003

# Senators try to break budget impasse

Senators spent most of the day in closed-door, small-group sessions Monday in an effort to break a stalemate on the budget.

They face raising taxes or drastically cutting the \$5 billion budget, as the state does not expect to collect enough money next year to provide services at this year's level.

Some Republican senators are proposing a plan to temporarily impose a sales tax of 1 cent on the dollar on a lengthy list of items that are now exempt. That list includes newsprint, Bibles, manufactured homes, hearing aids and medical devices, among other items. If the exemptions were lifted for one year, the sales tax could raise about \$200 million -- money that some senators would like to see go to education.

However, no one has yet introduced that plan. Two other attempts to meet the education budget by raising the sales tax have already failed in the Senate.

Senators came out of closed-door sessions to meet for two hours Monday evening, taking one vote on whether to raise the per-pupil spending for education to \$2,000 from \$1,843, the amount proposed by the House. That plan was tabled by a vote of 24-22.

The Senate meets again at 10 a.m. to continue deliberating the budget.

#### **Inmate In Hospital After Cutting Himself**

An inmate at the Broad River Correctional Institution was taken to Palmetto Health Richland on Monday after cutting himself.

It was unclear what the inmate used or where he cut himself. George Rice, spokesman for Richland County Emergency Services, said the man was in stable condition as he was on the way to the hospital.

Jon Ozmint, director of the state Department of Corrections, said Monday night that he didn't have information about the cutting.

#### Army Reserve unit returns home today

The 414th Chemical Company will return to Orangeburg today after serving almost three months in support of the war on terrorism.

The Army Reserve unit mobilized about 125 soldiers Feb. 24, and they reported to their duty station at Fort Stewart, Ga.

The soldiers conducted training and preparation for a pending overseas deployment that never materialized.

The unit's primary mission is to provide nuclear, biological and chemical equipment decontamination for military operations.

#### Tests ongoing on bone found behind store

Officials are still testing a human leg bone found Saturday behind a convenience store near Providence Hospital.

Richland County Coroner Gary Watts said he might find out today whether the bone was that of a man or a woman. DNA tests could help identify the bone, he said.

Officials have searched the area, but haven't found other bones. It doesn't appear that the bone had been behind the store for long, Watts said.

Call police at (803) 733-8415 or the coroner's office at (803) 576-1795 if you have information.

#### Saluda sheriff wants to save DUI task force

Saluda County Sheriff Jason Booth is fighting to save the DUI task force he set up two years ago.

County Council members met Monday to discuss Booth's budget. Booth has been told he could lose the DUI task force because of budget cuts, Chief Deputy William Ross said.

The task force has made 167 drunken-driving arrests since 2001, Ross said.

The task force includes four deputies.

The department has 22 deputies.

#### Free rides available to VA hospital

Area veterans needing a ride to and from the Dorn Veterans Hospital can take advantage of a new transportation assistance program.

The medical center recently received two vans from Disabled American Veterans, a nonprofit organization that serves veterans. The vans will be driven by DAV volunteers.

The free rides will be available to veterans living in Columbia, Greenville and Chester County areas.

For more information, call (803) 776-4000, ext. 7199.

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Posted on Tue, May. 20, 2003

### S.C. drug program gets boost

Similar effort gets high court's OK By Stephen Henderson Knight Ridder

A U.S. Supreme Court ruling Monday on a Maine prescription drug program gives a boost to efforts to create a similar plan in South Carolina.

In a decision that could strengthen states' efforts to control the spiraling costs of providing health care for the poor, the court said Monday that Maine could go ahead with a program that would punish pharmaceutical companies that refuse to provide destitute citizens with affordable prescription drugs.

MaineRx would restrict drug companies' access to lucrative Medicaid sales if they don't come up with affordable drug plans for the 300,000 state residents who don't have health insurance.

South Carolina filed a supportive brief in the case because "we're interested in lower drug prices," said Frank Adams, spokesman for the state Health and Human Services agency.

South Carolina has three times the number of state-paid patients that Maine has, about 900,000, Adams said.

Their prescriptions, under the Medicaid program, cost the state half a billion dollars. Taxpayers are helping to pay those bills, so any savings helps taxpayers, Adams said.

The state currently pays wholesale plus 10 percent for prescriptions for Medicaid patients, in addition to a \$4.25 fee to the pharmacy, he said.

Gov. Mark Sanford is asking to change to a preferred-list drug system for Medicaid, but some legislators want to try a bulk-buying program.

South Carolina is seeking to start a bulk-buying program for senior citizens, and the hope is to combine those numbers with Medicaid patients to negotiate even lower prices.

But whether that is possible was uncertain because of the Maine case, legislators said last week when the bill was reviewed by a Senate committee.

The high court said Monday that MaineRx might be scrutinized or dismantled by federal Medicaid overseers and could be subject to successful court challenges if it ended up making life difficult for Medicaid patients.

But the justices said a lower court erred when it issued an injunction preventing Maine from enacting the program because drug companies hadn't offered sufficient proof that MaineRx would adversely affect Medicaid patients.

"I think the court is taking a kind of neutral position here," said Ellen Moskowitz, senior counsel in the health care department at the Proskauer Rose law firm in New York. "They're not necessarily saying they're

supportive of this kind of program, but they're kicking it back to lower courts to take a more nuanced look at it."

Under the plan, Maine would act as a "pharmacy benefit manager" to lower the cost of prescription drugs. The state would require any drug company that sells to its Medicaid patients to offer rebates to poor residents who don't qualify for Medicaid and don't have insurance. If the companies won't, their drugs could be prescribed to Medicaid patients only with the state's say-so.

A group that represented several major pharmaceutical companies had argued that MaineRx would place too high a burden on Medicaid patients by denying them unfettered access to important drugs. The group also said Maine's efforts breached the prohibition against state interference in interstate commerce.

Moskowitz said the Supreme Court's ruling made it clear that those broad-brush assertions weren't enough.

"They want detailed proof of whether this is at odds with the existing Medicaid program," she said. That proof could be gleaned only from a review of the program's performance, not a theoretical objection before it's even enacted, Moskowitz said.

"For years, we've been putting our seniors on buses across the border to Canada to buy drugs because they're cheaper," said Mike Saxl, a former Maine legislator who co-sponsored MaineRx. "We needed a way to get more of our citizens access to these drugs."

Staff writer Zane Wilson contributed to this report.

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# Local NAACP branches don't endorse boycott Group vows to fight for MLK holiday By Andrew Dys The Herald

(Published May 20, 2003)

YORK -- The National Action Network vowed Monday to press the York County Council until it adopts a mandatory Martin Luther King Jr. holiday for county workers.

"We are not settling for anything less," said Gerald Jackson, vice president of National Action Network's Charlotte branch.

York County has a policy that allows employees to choose either their birthday or the January holiday as a paid day off, but National Action Network officials said during a rally in front of the York County Courthouse the holiday choice is no choice at all.

#### Boycott of gasoline, food

The group said it will stage a peaceful, once-a month economic boycott of gasoline and food starting Aug. 5 if the policy isn't changed. King's legacy of nonviolent protest to achieve social change and equality helped people of all races, organizers said, but York County's refusal to change means protesters will keep coming back until the holiday is passed.

"Get it approved, or you will have to deal with the consequences," said John Barnett, president of National Action Network's Charlotte branch and a native of Clover.

Barnett said he and others with the group hope to meet with the County Council next week behind closed doors to discuss the situation. York County is one of only three counties in the state not to close on the third Monday in January; Greenville and Lexington counties are the others.

#### Sharpton could visit in June

The County Council voted 6 to 1 against changing the policy May 6, with only Councilman Buddy Motz voting for it. The National Action Network is a national civil rights organization founded by Democratic presidential candidate Al Sharpton. Sharpton did not attend Monday, but officials said he will stop in York County during a bus tour in early June if the policy isn't changed by then.

Before a County Council meeting Monday night, council Vice Chair Ada Chisolm-Perry said the council wasn't likely to take any further action on the King Day policy in the near future.

But issue could be reopened if someone requests to speak about it during a scheduled meeting, said Chisolm-Perry, the council's only black, female and Democratic member. "We're open to a presentation to the full council for consideration (of changing the holiday policy)," she said.

The Monday morning rally attracted about 40 onlookers and supporters of changing the policy, including Peggy Shannon of York. "We couldn't do anything before Martin Luther King," Shannon said. "He made a difference in my life."

The two York County branches of the National Association for the Advancement of Colored People, which have expressed a desire for the council to observe a mandatory holiday, had no connection with Monday's rally and do not support any boycott, said the Rev. Keith Hunter, president of the western York County NAACP.

York Mayor Eddie Lee attended the rally, saying as a citizen of York County he hopes the County Council takes another look at changing the policy. The city of York has a paid holiday for employees, as do other county municipalities and the state and federal government.

Lee said he will discuss with York City Council members the possibility of sending a resolution to the County Council that reflects the opinion of the York City Council, but added he hasn't approached members or polled them on their opinions.

# Contact Andrew Dys at 329-4065 or <u>adys@heraldonline.com</u>. Herald senior reporter Caroline Brustad contributed to this story.

YORK -- The two York County branches of the National Association for the Advancement of Colored People want the York County Council to adopt a mandatory holiday in observance of Martin Luther King's birthday, but they do not endorse a proposed economic boycott of York County, said the Rev. Keith Hunter, president of the Western York County branch of the NAACP.

The NAACP was not part of a rally Monday at the York County Courthouse in which National Action Network officials called for a boycott one Monday per month starting in August if the council doesn't change the policy. County workers now have the option of taking either their birthday or King day as a paid holiday.

The NAACP chapters have taken the initiative to talk with individual council members about changing the policy, Hunter said. Only councilman Buddy Motz voted for a mandatory holiday May 6 when the issue came before the County Council.

"We expect to see some movement," Hunter said. "We haven't put any deadlines on anybody. We are trying to avoid a circus. We are not looking for publicity. We are looking for justice."

John Barnett, president of the National Action Network's Charlotte branch and an organizer of Monday's rally, said the two civil rights groups were working together toward a common goal.

The Rev. Jimmy Thompson of York, who attended Monday's National Action Network event, said both the NAACP and the National Action Network can work for the same goal, even if they don't agree on tactics.

"What's right is right," Thompson said. "It's time for this place to change."

Contact Andrew Dys at 329-4065 or adys@heraldonline.com.

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Posted on Tue, May. 20, 2003

THE SUN NEWS

NAACP MESSAGE TO MEMORIAL DAY VISITORS

# Confederate flag still an issue; avoid S.C.

By Mickey James

I would like to say farewell to James Gallman, president of the S.C. Conference of the National Association for the Advancement of Colored People. Gallman has declined to run in October for the presidency. I wish Gallman the best in his endeavors to pursue other ventures. The S.C. Conference of the NAACP has an awesome and challenging task to elect a new leader with vision and insight.

There is still much controversy and turbulence about the Confederate flag, necessitating a new perspective to end this saga. The new president will have to be conscious and mindful of the plight and indignation associated with accepting an unpopular position.

As president for the Myrtle Beach branch [of the] NAACP, I can attest that the many pitfalls and obstacles are precarious. The major issue facing the S.C. Conference of the NAACP is still the Confederate flag. Many people of all races and ethnic groups are curious to what will be the outcome in this stalemate saga. Economic sanctions are still prevalent and pervasive throughout South Carolina.

The national board of the NAACP will continue to mandate economic sanctions until the Confederate flag is placed in a place of historical significance. I realize that to many this is a tedious and obviated matter, but South Carolina must take heed and become levelheaded and bring closure to this ugly matter.

I personally would like to see an expedient resolution regarding the Confederate flag, but it will not happen any time soon. In fact, I will probably be retired and receiving Social Security [by the time it happens].

South Carolina is adamant about remaining in the dark when it comes to change. I'm mindful that the Confederate flag is a dual issue, causing great divisiveness and discord among the populace. It's imperative that we apply pressure to our state leaders to wake up and put an end to this madness. We cannot resolve this matter by name-calling and catcalls.

I'm aware that many people, both black and white, are apathetic and impatient with this flag controversy. So, that means that you need to be in the fight to help bring an end to this matter by calling your state representative and let your voice ring loud. The great philosopher Jean Paul Sartre once said, "We are not angels and we do not have the right to understand our enemies; we do not yet have the right to love all men." We live in a cruel and hateful world. People just don't care about anything or anybody, much less joining forces to bring peace and harmony.

The good ol' boy system in South Carolina is still in operation and sycophantic to those who want to be on top. To all African Americans who plan to visit South Carolina, think about the impact you would have on the local economy if you stayed home. Memorial Day generates millions of dollars spent by African Americans, and you are still not appreciated in South Carolina.

The writer, president of the Myrtle Beach branch of the NAACP, lives in Myrtle Beach.



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# DHEC program will evaluate beach quality

BY FORREST VALDIVIEZ, The Island Packet Other stories by Forrest Valdiviez Published Tuesday, May 20th, 2003

South Carolina officials are putting together a monitoring program to ensure that all coastal beaches are evaluated under the same guidelines.

If the state Department of Health and Environmental Control's plan wins U.S. Environmental Protection Agency approval, the department could receive a grant of about \$300,000 for the upcoming year. That money would partly go to local governments and pay the salaries of employees, officials said.

A final draft of the surf water monitoring plan will be submitted to the EPA at the end of June.

Grant amounts differ for each state and are based on coastline miles and amount of use, said DHEC employee Erica Johnson, the program's coordinator.

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The goal of the monitoring program is to identify coastal recreation waters and to rank those beaches based on beach use and the potential risk of pathogens, Johnson said

A meeting was held Monday at DHEC's office in Burton so residents and representatives from local governments could offer input and learn more about the monitoring program.

Johnson said most of the program already was in place, but the EPA required a plan put on paper.

The only item that was new in the draft, Johnson said, was a plan to rank state beaches by use and potential health risk on a three-tier system, with the first tier being the highest priority.

For example, Myrtle Beach is considered a tier 1 site, Hilton Head Island a tier 2 site, and Daufuskie Island a tier 3 site.

Tier 3 sites in this area are not monitored because the risk is considered too low, said David Payne with DHEC's Low Country Environmental Quality Control District office.

The higher the priority, the more often water samples are taken. The tests target enterococcus, an indicator that bacteria is in the water, Payne said.

In Payne's district, which runs from Edisto Island to Hilton Head Island, there are 37 sample stations. On Hilton Head, there are 14 stations. Payne said the sites, located every two or three miles along beachfronts, are monitored twice a month from April through October at random tidal stages.

Also in the monitoring plan is a section on public notification. In the event that test samples for enterococcus are high, signs would be used on the beach to advise against swimming because of high levels of bacteria in the water; news releases would be sent to local media outlets; and DHEC's Earth 911 Beach Water Quality Web site (www.earth911.org) would be available.

Posted on Tue, May. 20, 2003

### **Experts to look at USC ideas**

On-site panel to help oversight board decide which research proposals will get lottery funds

By JIM DuPLESSIS

Staff Writer

A group of academic experts arrives in Columbia today to help state leaders decide how to divide at least \$30 million from the state lottery among the state's three research universities.

The five out-of-state experts spent Monday at the Medical University of South Carolina in Charleston. They visit USC today and will go to Clemson University on Wednesday.

The group will report back to an oversight board, which is expected to decide by June 10 which of 13 proposals to fund. The Centers of Economic Excellence program uses lottery funds to set up endowments, providing permanent funding for top researchers.

The researchers are expected to secure additional funding or grants from outside South Carolina, enhancing the state's ability to create higher-paying jobs.

The oversight board's nine members were appointed by Republican Gov. Mark Sanford, S.C. House Speaker David Wilkins, R-Greenville, and S.C. Senate President Pro Tempore Glenn McConnell, R-Charleston.

The universities submitted proposals last year. To help the panel judge them, the S.C. Commission on Higher Education hired the on-site reviewers, plus experts in each field, to assess the potential scientific value and viability of the proposed research.

"We want to know before we spend any state money," said Gail Morrison, the commission's director of academic affairs, who is handling the Centers of Excellence reviews.

Morrison declined a request by The State under the S.C. Freedom of Information Act to provide reports already received for each proposal from experts in the field. Morrison cited exemptions under the law that allow higher education institutions to withhold some research materials.

Morrison said the commission last week asked S.C. Attorney General Henry McMaster for an opinion on the matter.

The commission is spending about \$100,000 from lottery funds for the review process, with expenses that include \$100 for each peer review and \$1,000 a day plus travel expenses for each on-site reviewer.

"The evaluations are usually regarded as belonging to the universities and researchers," Morrison said. "An idea might be stolen by someone else before they get funding and get started."

The universities are seeking \$60.5 million. The Legislature approved \$30 million a year ago, money that will be available in July. It is expected to approve a similar amount for the fiscal year that begins July 1, and those funds are expected to be available by July 2004, said John E. Smalls, the commission's interim executive director.

Among the proposals, Clemson is seeking \$15 million to establish endowments for three professors in a proposed graduate school of automotive engineering. The program would be part of an automotive research park in the Greenville area. Each proposal must have matching funds from the school or private sources.

BMW, which has a car plant in nearby Greer, has pledged \$10 million and Clemson is expected to raise the remaining \$5 million.

Reach DuPlessis at (803) 771-8305 or jduplessis@thestate.com.

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Posted on Sat, May. 17, 2003

# 10,000 expected at Hunley funeral

Ceremony planned for next year to honor crew of Confederate submarine By BRUCE SMITH The Associated Press

**Charleston** As many as 10,000 people, including Civil War re-enactors both blue and gray, will march in next year's funeral procession for the crew of the Confederate submarine H.L. Hunley, organizers said Friday.

The funeral for the eight crewmen is set for April 17. The procession will wind its way more than four miles from Charleston's battery to Magnolia Cemetery on the Cooper River where two earlier Hunley crews are buried.

"Our dream to have all three crews laid to rest, together in port, will occur," state Sen. Glenn McConnell, R-Charleston, said during a news conference beneath the trees shading the Hunley burial plot.

"It will be an event that I think will bring tens of thousands of people to Charleston to participate and pay their respects," said McConnell, also chairman of the South Carolina Hunley Commission.

The Hunley sank in February 1864 after sending the Union blockade ship Housatonic to the bottom of the sea off Charleston. The sub, the first in history to sink an enemy warship, was raised with the remains of its crew almost three years ago and brought to a conservation lab at the old Charleston Navy Base.

The Hunley sank three times during the Civil War -- once after it was swamped at its mooring, again during a test run and finally after its sinking of the Housatonic.

"It's been a long time coming," Randy Burbage, a commission member, told reporters as he stood in front of white gravestones marked with small Confederate flags. "This will be an opportunity for us to honor possibly the last missing-in-action men from the Confederacy."

"For the crew, this will be the final journey," McConnell added. "For the Hunley, she will be reconditioned, and her service will obviously be not to sink enemy ships but to tell the story of these brave crews."

He said he expected retired submariners from around the world to attend the funeral. In the weeks before the event, scientists plan to release pictures of the crewmen based on facial reconstructions.

But Warren Lasch, the chairman of Friends of the Hunley, said it could be two or three years before the mystery of why the Hunley sank is solved.

"It's a giant jigsaw puzzle -- forensics, archaeology, sediment analysis, the history, the metallurgy, biochemistry," he said. "There are all these pieces of the puzzle that have to be put together."

Although the funeral will be for the Confederates, the crew of the Housatonic will also be remembered, McConnell said. He said he couldn't imagine someone objecting to the funeral.

"I think anybody with good taste would not try to engage in any disruptions," he said. "I think this is one of those things that has universal appeal. These are the first submariners. You will have a few people, you always do, but the overwhelming majority of people around the world see this for what it is -- a wonderful, historical event."

From the start of the Hunley project, McConnell said, the commission has not been worried about being politically correct.

"We are going to be historically correct," he said. "We have no apologies for who these people are, and we are a proud part of the effort to lay them to rest. If somebody doesn't like it, that's just tough."

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Posted on Tue, May. 20, 2003

S.C. VIDEO POKER STUDY

### Ban gets credit for steep drop in gambling addicts

By JOHN MONK Columnist

Banning video poker three years ago led to a sharp drop in gambling addicts, according to the authors of an extensive study on South Carolina's 14-year love affair with video poker.

Within 90 days of video poker being banned in 2000, the number of active Gamblers Anonymous groups declined to 16 from 32. From then on, most addict treatment groups had only one or two members instead of the previous dozens, the study said.

"Additionally, the most active gamblers' hot line in the state reported the number of calls they were receiving fell from over 200 a month to zero," the study said.

The study, a 164-page report dealing with the mingling of politics, the law, gambling and addiction, was done by two Columbia residents, Frank Quinn and Randall Bridwell.

It examines how and why S.C. public officials and video poker operators created a "casino the size of a whole state, `.`.` a land of trouble, of rising bankruptcies, disintegrating families, escalating crime, damaged productivity and lost opportunity."

Video poker - called "the crack cocaine of gambling" - was so big, and so addictive, that by the time it ended in mid-2000, it was doing \$3 billion in sales a year, they wrote.

Quinn, 53, is a drug, alcohol and gambling addiction psychologist. Bridwell, 58, is a University of South Carolina law school professor. Both were active consultants in dozens of civil lawsuits against video poker operators in the late 1990s. One remaining lawsuit is expected to be tried in June.

Their study shows how South Carolina - in large part because of coziness between politicians and video poker operators -became a gamblers' paradise, with more gambling outlets than Nevada.

Among the study's findings:

- In 1986, the General Assembly initiated what would become "one of the largest organized gambling operations in the world ... without originally knowing what it had done." The late State Sen. Jack Lindsay, D-Marlboro, quietly slipped a provision into a complicated law that allowed gaming machines to give payouts.
- State Democratic lawmakers let video poker operators stay in business. At the same time, the operators targeted low-income blacks one of the Democrats' most loyal voter bases as their preferred customers.
- Politicians became so addicted to money raised from video poker that they didn't devote the necessary resources to police the games. This meant that even though the Legislature banned payouts of more than \$125 a day in video poker per person, operators flouted the law because they knew it wouldn't be enforced.

- Politicians were so attracted to taxes raised from gambling that they ignored the widespread harm video poker did.
- Blacks and women were more vulnerable than others to becoming video poker addicts.

Former Democratic Party chairman Dick Harpootlian, who led the party from 1998 until this year, ridiculed Quinn and Bridwell's study.

"If you believe poor people don't have any brains, I suppose you'd subscribe to their theory that they shouldn't be allowed to decide how to spend their money, have children or get a job," Harpootlian said.

Harpootlian also said the nation's most famous video poker player is not a poor Democrat, but rich Republican William Bennett. Recently, it was revealed that Bennett, who has written best-selling books about being virtuous, gambled away \$8 million, much of it in slots and video poker.

The study's authors single out four heroes: U.S. Judge Joe Anderson, S.C. Chief Justice Jean Toal, the late Rep. Terry Haskins, R-Greenville, and State Sen. Wes Hayes.

Operating for the most part independently of each other, those four led the battle to destroy video poker.

On the bench, Anderson and Toal enforced laws that would have the effect of outlawing video poker.

In the Legislature, Haskins fashioned a "poison pill" law that, in certain rare circumstances, would outlaw video poker. Hayes was vital in getting the law passed. The rare circumstances Haskins had envisioned took place, and Toal's Supreme Court ordered video poker shut down.

Bridwell said in his investigations of video poker, "One of the most shocking things is how the political system, instead of protecting poor people from predatory behavior by video poker operators, allowed them to be turned into a cash cow."

Quinn, who for years had focused on traditional addictions, learned about video poker when his drug and alcohol clients got hooked on the games.

"One lady said, 'I lost the money we were going to send our children to college with,'" Quinn said. "I asked her how much. She said, '\$80,000.""

The study, for which the writers received no pay, was published last month in the University of Mississippi Law Review.

Video poker, they say, isn't just any gambling - the electric games with their colored screens, bright lights and seemingly frequent payoffs can put players into a trance, making it the world's most addictive form of gambling.

In January 2002, a new form of gambling began in South Carolina - the state-run lottery.

Evidence suggests the lottery is far less addictive, and generates far more money for the state, than video poker.

"Even opponents of video poker and the lottery concede the lottery is a lot less addictive," lottery director Ernie Passailague said.

In its last year, video poker was a \$3 billion business that generated \$1 billion in profit to video poker operators. It paid only about \$65 million in fees to the state.

In contrast, the state lottery in 2002 had \$627 million in sales and generated \$151 million to the state.

Some claim video poker could help erase the state's rising budget shortfalls, including at least \$400 million this year.

No studies exist, but anecdotal evidence suggests far fewer people have addiction problems with the state lottery than with video poker, said John Hart, a deputy director of the S.C. Department of Alcohol and Drug Abuse.

Of the 55,000 addicts his department treats, Hart said, only about 60 have gambling addiction problems. Hart said the lottery has raised \$1 million for addiction and gambling education programs, but so far the state has spent none of that money.

(Those wishing a free copy of the study can write: Randall Bridwell, University of South Carolina Law School, Columbia, SC 29208.)

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Posted on Tue, May. 20, 2003

The ! State

# Predatory lenders no longer welcome in South Carolina

PREDATORY LENDING PRACTICES used to hoodwink poor and elderly borrowers out of their money are no longer acceptable in South Carolina.

That is the message lawmakers sent last week when they approved legislation outlawing abusive loan practices. This landmark legislation, while not as strong as it could have been, may help save borrowers millions of dollars a year.

The legislation requires mandatory credit counseling on high-cost loans; limits flipping, the repeated financing of loans, to every 42 months; prohibits the financing of credit insurance; limits the amount of points and fees that can be financed in a high-cost loan; prohibits a prepayment penalty on home mortgage loans up to \$150,000; requires the lender to make sure the borrower has the ability to repay a loan; and requires mortgage brokers to act in the best interest of borrowers. The law also addresses title loans, although only in a small way, by limiting the times lenders can roll over loans that are for less than 120 days.

If the governor signs the legislation - and he should as soon as possible - predatory lenders must clean up their act. The law goes into effect Jan. 1, 2004.

Concerned lawmakers and consumer advocates had fought for years to get this law passed, but constantly were thwarted by the strong lobby of lenders. However, their hard work, which included tough negotiations with the lending industry, finally paid off this session.

A strong push from consumer advocates and bipartisan support among lawmakers led to the passage of this much-needed legislation. Advocates were led by Sue Berkowitz, director of the South Carolina Appleseed Legal Justice Center, Jane Wiley, legislative director for AARP South Carolina; John Ruoff, research director for South Carolina Fair Share; Brandolyn Pinkston, interim director of the Consumer Affairs Department; and Furman Buchanan, who represents the credit unions. The NAACP, the United Methodist Church, Habitat for Humanity and others also supported the law.

While many lawmakers worked to bring this law to fruition over the years, several stand out. Sen. David Thomas spent much political capital working on this legislation, perhaps to his detriment. He is convinced that some lenders worked against him in his unsuccessful campaign for the office of lieutenant governor.

Also, Sen. Darrell Jackson and Rep. Joe Neal, members of the conference committee that fashioned the final legislation, worked on this issue for years. Sens. Wes Hayes and Linda Short, also conference committee members, helped guide debate and shape the final bill. In addition, Rep. Harry Cato, who promised a solid bill at the beginning of the session, should be commended for standing up for consumers. The same goes for Rep. Doug Smith, who helped get the House to pass a bill and authored an amendment putting strict regulation on mortgage brokers.

The passage of this law is an extraordinary show of support for vulnerable citizens who often get ignored

in this state. We know there was great pressure from some in the lending industry to get lawmakers to implement less restrictive rules. But lawmakers stayed committed to ridding this state of predatory lending.

Legitimate lenders should not fret. The law is not aimed at those who play fair. But unscrupulous lenders have been served notice their legal loan-sharking days are numbered. And that's good news for South Carolina consumers.

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Posted on Tue, May. 20, 2003

The ! State

# In choice between education and health care, 'neither' is wrong answer

WHICH IS MORE important? Making sure kids are well educated or healthy? Perhaps a more appropriate question would be: Which is the chicken, and which is the egg?

It's a question Democrats have traditionally answered by not answering - by, appropriately, insisting on both. A recent example was Democrats' very smart insistence that the First Steps early childhood education program should be about not just education but also good health.

But if you're forced to choose between the two, the correct answer will never, ever be "neither."

Unfortunately, that's what most Democrats in the Senate essentially chose last week, when they voted to kill a plan to increase the cigarette tax to pay for nearly adequate funding of Medicaid, which provides medical care to 800,000 poor South Carolinians, including all poor children.

No one in their right mind would suggest that the 17 Democrats who joined 10 Republicans to kill the cigarette tax increase actually want to slash funding for Medicaid or education. Indeed, many insist that they voted against the cigarette tax because it is tied to an income tax cut in future years. That, they argue, makes this a loser deal, because the money lost from the income tax cut will, before very long, eclipse the money gained from the cigarette tax increase.

The problem with that argument is that it fails to acknowledge that 1) raising a cigarette tax has advantages that far outweigh the money it will bring in (saving kids' lives, by reducing teen smoking), 2) our economy is better off for every dollar we collect from cigarette taxes instead of income taxes and 3) given the rather obvious fact that there is not two-thirds support in the Senate and House to override a promised gubernatorial veto of a stand-alone cigarette tax, it's the only deal in town.

Worse, it seems clear that aversion to the income tax cut isn't the real motivating factor for all of the Democrats who voted to kill the swap.

The motivating factor for many was some combination of partisan brinkmanship and the desire to get something better. Many Democrats will only vote for the tax swap if Republicans will vote for their plan to raise the sales tax to pay for education.

Whatever the motivation, unless something changes, the result will be that tens of thousands of poor kids - in many cases the very kids who would benefit most from the increased education funding the Democrats are holding out for - will suffer medical problems that will further undermine their ability to learn.

Without the \$170 million in state funding - and the \$400 million in federal matching funding - that a 53-cent cigarette tax increase would bring in, more than 42,000 children could lose vital medical coverage they're currently receiving. (That's on top of the fact that tens of thousands of poor and disabled adults

and seniors would lose care - and that adults, seniors and children alike would end up in hospital emergency rooms when their conditions got critical, and that the hospitals, having no legal choice but to provide them with this super-expensive service, would pass those costs along to our health insurance companies, which would pass them along to us, in higher premiums.)

It's true that the state could use general revenue to pump that \$170 million into Medicaid; in fact, the House partially funded it. But every dollar in general funds that goes into Medicaid is a dollar that doesn't go into other areas of state government - the primary loser being education.

The Republicans are equally to blame, of course. If they would hold together in support of their governor's plan, it would pass over Democrats' objections - and likely sail through the House as well. And if Gov. Mark Sanford hadn't promised to veto a stand-alone cigarette tax, it's likely the Democrats would have supplied the needed votes to get it passed. I'm focusing on the Senate Democrats because, by and large, the Republican holdouts have traditionally demonstrated less concern than the Democrats for the welfare of poor children.

Is the cigarette tax/income tax swap a perfect plan? Absolutely not. The first step to digging out of this hole should be for the Legislature to eliminate nonessential programs in order to free up money to pay for our essential needs. The second step should be to raise the cigarette tax alone, and talk about cutting taxes when the money is available. The next step, if necessary, should be to increase additional taxes (or remove some tax exemptions) to allow us to at least maintain our position on education funding. If the Democrats can somehow convince Republicans to do one or more of these things, then wonderful. But I am increasingly pessimistic that any of this will happen - and certainly not with the alternatives the Democrats have floated to date.

Revive the cigarette tax plan. Pass it. Then keep fighting for full funding of education. If you can't get that, at least we'll get something. Don't allow the perfect to defeat the good.

Ms. Scoppe can be reached at cscoppe@thestate.com or at (803) 771-8571.

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# A bad bill made worse

A bad bill to limit local government control over large-scale livestock and poultry operations was made even worse last week by a Senate subcommittee when it recommended restricting local control over all industrial operations. Such an abrogation to home rule should be killed at the earliest convenience.

The bill originally assumed that county councils shouldn't have the authority to stop agricultural operations, such as large-scale hog farms that have caused serious environmental problems in other states. In its expanded form, it strips councils from making local decisions on any industry that can otherwise meet state regulations.

A number of counties already have approved local laws that would restrict large-scale hog farms. And an official for a major poultry producer says that county regulations have stopped the development of large poultry houses in South Carolina. That should remain a local prerogative.

In fact, the existing regulations incorporated local choice, enabling county councils to respond to their constituents and the economic development goals for their respective counties. Confined animal operations are viewed by some local officials as deterrents to attracting high-paying economic prospects. Apparently, that view isn't shared by the state Chamber of Commerce, which endorsed the latest revision. A spokesman for the chamber said it would promote economic balance among the counties, according to The Associated Press.

The existence of local zoning recognizes the value of local authority to make land-use rules based on local circumstances. The local planning process is designed to provide for staff review, public comment, discussion by the local planning commission and its recommendation to the elected County Council.

The process is deliberate, and is designed to safeguard the public interest. This proposal, in contrast, was written with special interests in mind. It is surprising that legislators would have the temerity to seek its approval.

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# Sapp sentenced to death for killing trooper

BY KATHY STEVENS
Of The Post and Courier Staff

MONCKS CORNER--At the end of a day filled with emotional testimony that brought jurors to tears, a Berkeley County jury sentenced Jesse W. Sapp to death for the murder of S.C. Highway Patrol Cpl. Kenneth Jeffrey Johnson, a 38-year-old husband and father of two.

The jury deliberated Sapp's sentence for 90 minutes.

"By his life, by his actions and the path he chose to walk, somebody was going to die," Solicitor Ralph Hoisington said Monday during the penalty phase. "The only thing he ever cared about is Jesse Sapp."

The state brought one witness after another to back those statements. Testimony detailed the night Johnson was shot, how bullets pierced the walls of two nearby homes during a gunfight Sapp initiated to avoid arrest at a traffic checkpoint on July 7.

Sapp opened the passenger's side door, aimed a Smith & Wesson and fired a fatal shot at Johnson. The trooper fell to the ground, rolled onto his side and fired 15 rounds at Sapp. Other officers at the checkpoint who also began shooting believe one of Johnson's rounds was one of three bullets that wounded Sapp.

At 4:30 or 5 that morning, Johnson's wife, Melissa, returned home from Trident Medical Center with her brother-in-law, Tim Johnson, and told her son and daughter their father was dead.

"Nicholas just started screaming, and Ashton was yelling, 'Oh, no, not my daddy,'" Melissa Johnson said. "He was the love of my life, and the children absolutely adored him."

The jury also heard from Sapp's co-defendant, 21-year-old Kathryn E. Boles, who has pleaded guilty to harboring a fugitive and possession of Xanax, a drug she was to purchase from Sapp the night he killed Johnson.

Boles told jurors she met Sapp when she was working for an escort service at age 15. Sapp called for a girl, and the organization sent Boles.

Boles was fired when the service discovered her age. She moved in with Sapp, and he paid the bills, mostly, by selling drugs. By 16, she worked as an exotic dancer.

The two were arrested in 1998 after police raided their home. She was with him the night he pulled a gun on a Savannah police officer during the St. Patrick's Day celebration.

At 18, Boles moved out and tried to steer clear of Sapp. But she said she had a run-in with him about her new boyfriend. Sapp came to her house with a semi-automatic weapon that she compared to a machine gun, but he left once police were called. Sapp was arrested that night near Boles' apartment. He pleaded guilty to charges stemming from the incident.

On July 6, Boles called him for Xanax, and they arranged to meet at a grocery store. She said he was on morphine, which wasn't unusual. Early on July 7, they left her father's house to buy beer and a bottle of wine. Her father, Mark Boles, gave her the truck keys.

She pulled into the checkpoint with an open container and alcohol on her breath and was asked to step to the rear of the truck. Boles testified she didn't know Sapp had a pistol, drugs or a plan to get away. As she tried to negotiate with a state trooper in hopes of avoiding jail, she heard a gunshot and saw "something drop from the side of the truck."

"I saw (Sapp) running off; he turned and shot back to where we were all at. Someone shot him; he hit the ground," Boles said.

Defense Attorney Paul Archer asked her if she loved Sapp.

"I loved him, but I didn't want to be with him," she said, sobbing when Archer asked, "Do want to see him put to death?"

Mark Boles took the stand, saying he had met Sapp through his daughter, that he had occasionally helped Sapp sell drugs and rarely saw him without a gun. Had he thought Sapp was dangerous, he said, he wouldn't have allowed his daughter to be around him.

One of the slain trooper's two brothers, Tim Johnson, told jurors he was in court to speak on his "little brother's" behalf. He looked at Sapp and said, "You murdered my little brother Ö he was my hero and my best friend."

Johnson turned again to jurors and between sobs told them of times he and his brother had talked about becoming two gray-haired or "no-haired" brothers growing old together and playing golf.

Jeffrey Johnson, who served in the 82nd Airborne Division of the Army, had always wanted to be a military policeman. In 1990, he was hired by the S.C. Highway Patrol and within three years was named Trooper of the Year. He received numerous commendations during his 13-year career.

Trooper Johnson would call home each night to tell his wife and children he loved them. His brother recalled an earlier statement Sapp had made claiming he was not a "monster."

"Let me tell you why that is not true," Tim Johnson told Sapp. "We were at a soccer game, a patrol car comes down the road, Ashton stopped and stared, thinking it was her daddy. Nicholas won't play baseball because his (daddy) isn't coaching," he said, as some jurors wiped away tears.

"My brother's children see you as a monster every night when they go to bed crying and holding a picture of their daddy. Because you are the monster that shattered our lives."

The defense offered testimony of family, friends and a doctor who had treated Sapp for depression and an anxiety disorder. They sketched a picture of a young boy whose father left and whose mother was mentally ill and also addicted to drugs and alcohol.

Sapp was bounced from one home to the next, living with relatives here, in New York and Florida. His aunt, Susan Lantz of New York, told jurors Sapp couldn't express emotions, was always afraid and would run for cover as a scared child.

Sapp's mother, Cathy Catchings, said her son was a good man who had a bad life. He'd played a role in his younger brother's life, teaching him to count, read and play games. Sapp played the role of father to his 9-year-old sibling and did his best to show love his own father never gave.

Catchings cried throughout her testimony and apologized to Johnson's family.

"I hope some day you can forgive my son, that you can help your family to move on," she said. Then she begged the jury to spare her son's life.

"To take my son's life is not going to bring Cpl. Johnson back. Please don't do it," she said.

In a closing statement, defense attorney Paul Archer told jurors his client was pathetic. "He carried a gun because he was a wimp. He was picked on as a kid; he was a sissy. He won't have a gun in prison."

The jurors heard last from Sapp, who told them, "Make your own decision. A lot of things the state said are true. I made some wrong choices in my life."

Circuit Judge Markley Dennis affirmed the jury's death sentence and denied the defense's motion for a new trial, saying the jury was not motivated by passion or prejudice.

"Hopefully, this gives the family some comfort. At the very least, it might prevent another family from going through this," Hoisington said after the proceedings.

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Posted on Tue, May. 20, 2003

### Attack by cat leads to warning about rabies

By JAYMI FREIDEN Staff Writer

Lexington County residents should be aware of potentially rabid animals after an Oak Grove-area resident was attacked by a stray cat last week, the S.C. Department of Health and Environmental Control reported Monday.

The resident, who was attacked by the cat May 15, is being treated by a doctor. Laboratory tests conducted by DHEC confirmed the cat as rabid. The cat was destroyed.

"Rabies is fatal to humans and animals," said Sue Ferguson, of DHEC's Bureau of Environmental Health.

Anyone bitten, scratched or otherwise exposed to the saliva of a rabid animal must undergo immediate medical treatment to prevent the virus from reaching the brain.

State law requires that all pets be vaccinated against rabies.

Ferguson said about 400 South Carolinians have to undergo preventive treatment for rabies every year after being bitten by a rabid or suspected rabid animal.

This is the third rabid animal reported in Lexington County this year. Last year, there were eight rabid animals reported in the county. In 2002, there were 162 confirmed cases of rabies in animals in South Carolina.

For more information about rabies, call the Lexington County Health Department's Environmental Health Office at (803) 359-8113.

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# 2 die in Ladson house fire

Couple's son flown to Augusta burn center BY BO PETERSEN AND WARREN WISE Of The Post and Courier Staff

LADSON--A longtime Medical University of South Carolina worker and her husband died early Monday in a midnight fire that began as they slept. Their son smashed through his bedroom window to escape.

"When someone had troubles, Nita would be the one to come up with something positive," said co-worker Janette Brown.

"She took care of everything and everybody," said co-worker Annette Stoney. "She was the backbone of her family."

Monday afternoon, Nita Landreth's brother Howard Ray and her close friend Frances Smith scoured the blackened ruin of the home for any sign of "T.J.," Nita Landreth's beloved pet poodle, who slept with the couple.

They found the bed's cover sheet in a charred pile and held their breath as they delicately pulled it loose. No T.J. Ray said he still hoped the dog got free and ran.

The Rays' father died when Howard Ray was 3 years old. His sisters took care of him. "Nita's been my mother all my life," he said.

Today would have been Nita Landreth's 66th birthday. She had planned to retire soon.

"This is total shock," Smith said.

They fought tears as they picked up what was left of her shot glass collection.

They pulled unscarred family photographs from a drawer beneath a cabinet where the television was a melted remnant.

As Ray stepped gingerly past the dangling remains of a fire alarm, he jabbed his finger at it.

"This should have saved their lives right here," he said.

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